

## Message Text

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PAGE 01 JOHANN 00192 131644Z

43

ACTION AF-06

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 EB-07 COME-00 TRSE-00 LAB-04 SIL-01 OPIC-03

AID-05 /085 W

----- 075011

R 131200Z FEB 76

FM AMCONSUL JOHANNESBURG

TO SECSTATE WASHDC 4449

INFO AMEMBASSY LONDON

AMEMBASSY LUSAKA

AMEMBASSY PARIS

AMEMBASSY PRETORIA

AMCONSUL CAPE TOWN

LIMITED OFFICIAL US JOHANNESBURG 0192

CAPE TOWN ALSO FOR EMBASSY

E.O. 11652: N/A

TAGS: BEXP, ELAB, EGEN, EIND, SF

SUBJECT: VISIT TO SOUTH AFRICA OF IBM EXECUTIVES WEEK OF FEBRUARY

16

REF: LUSAKA 0310

1. AF LABOR COORDINATOR LESTER SLEZAK AND CONGEN OFFICERS CALLED ON JACK CLARKE, MANAGING DIRECTOR IBM SOUTH AFRICA, AS PART OF PROGRAM CONNECTION WITH FORMER'S ORIENTATION VISIT HERE. TIMELY RECEIPT LUSAKAS REFFTEL ALSO AFFORDED SLEZAK AND CONGEN OFFICERS WITH OPPORTUNITY TO OBTAIN READING FROM CLARKE ON IBM SITUATION HERE DURING COURSE "TOUR D'HORIZON".

2. CLARKE SEEMED TO BE SUGGESTING THAT IBM SOUTH AFRICA IN PARTICULAR AND US BUSINESS IN SOUTH AFRICA IN GENERAL IS GROPING  
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PAGE 02 JOHANN 00192 131644Z

FOR US GOVT RESPONSE TO US CRITICS OF US BUSINESS PRESENCE

IN SOUTH AFRICA (FOR OTHER COMMENTS ALONG THIS VEIN SEE SUMMARY SLEZAK MEETING WITH US CITIZEN AND NON-US CITIZEN MANAGING DIRECTORS US FIRMS HERE REPORTED SEPTEL).

3. DURING FRANK DISCUSSION, CLARKE MADE FOLLOWING COMMENTS RE LABOR SITUATION:

A. VISIT OF IBM TOP LEADERSHIP TEAM TO SOUTH AFRICA (CARY, JONES, MAISONROUGE, KATZENBACH, PFEIFFER, LEFORT, WATKINS, ET AL) SCHEDULED FOR WEEK FEBRUARY 16 INCLUDES COUNTRY-WIDE ITINERARY WHICH ONLY NOW FALLING INTO PLACE BUT WILL CERTAINLY INCLUDE TOP BLACK LEADERS: MVUBELO, MAPONYA, NTSHONA, AND MOTSENYANE; AND, OF COURSE, TOO EARLY TO ASSESS/PREDICT RESULTS OR CONCLUSIONS-- IF ANY--WHICH MAY ENSUE FROM VISIT.

B. HOWEVER, AMONG POINTS WHICH CLARKE REVIEWED ARE: INDIVIDUAL PROMOTION SYSTEMS IN IBM; RANGE OF PROGRAMS FOR ASSISTANCE BLACKS WHICH GO BACK TO 1964 INCLUDING EFFORTS ELEVATE BLACK EMPLOYEES WHO COMPRISE SOME 15 PCT OF IBMS SOUTH AFRICAN TOTAL OF APPROX 1400.) (AS AN ASIDE AND RE THIS POINT, CLARKE NOTED WIT SOME CHAGRIN THAT THIS TOTAL COMPRISES SOME 400 HARD-CHARGING FUTURE HIGH-FLIERS WHO ARE UNIVERSITY GRADUATES WITH WHOM BLACKS MUST COMPETE WITHIN IBMS MERIT-BASIS TERMS OF REFERENCE.) CURRENT PROGRAMS INCLUDE: IBM SCHOOL ESPECIALLY FOR BLACK TYPIST TRAINING WHICH CURRENTLY ENROLLS APPROXIMATELY 75, NOW SOME THREE YEARS OLD; BLACK SCHOLARSHIPS AND COURSES WHICH HAVE NUMBERED APPROXIMATELY 125 PER YEAR OVER PAST SEVERAL YEARS FOR POST-SECONDARY STUDIES WITH GRADUATES INTEGRATING INTO IBM MANAGEMENT STAFF JOBS WITH EQUAL PAY WITH WHITES; FOR BLACK FAMILIES, TOTAL REIMBURSEMENT TO FAMILY FOR ALL MEMBERS WHO SUCCESSFULLY COMPLETE SECONDARY AND POST-SECONDARY EDUCATIONAL PROGRAMS WITH PRIORITY GIVEN TO THEM IN PLACEMENT IN IBM POSITIONS AS AVAILABLE; WIDE-RANGING IN-HOUSE TRAINING PROGRAMS WHICH INCLUDE TRAINING/PLACEMENT OF SWITCHBOARD OPERATORS IN IBM INSTALLATIONS; TRAINING/PLACEMENT BLACK IBM PROGRAMMERS AND TECHNICIANS AND REPAIRMEN WHO REGULARLY SERVICING OUTSIDE ACCOUNTS WITH NO ADVERSE FEEDBACK; AND, EFFORTS TO TRAIN AND UPDATE BLACKS WHO WERE HIRED TEN OR MORE YEARS AGO AS LIMITED OFFICIAL USE

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PAGE 03 JOHANN 00192 131644Z

MESSENGERS, OFFICE HANDS AND LOW-LEVEL CLERKS SO THAT THEY CAN BE UP-GRADED SALARY AND JOB-WISE ON MERIT BASIS. (THIS LATER INCLUDES SCHOOL FOR READING, WRITING AND ARITHMETIC.) C. AVERAGE SALARY OF BLACK WORKER AT IBM IS 380 RAND PER MONTH (SAGS AVERAGE IS 110).

4. MARKET FACTORS:

A. IBM HAS NO INTENTION PULLING OUT OF SOUTH AFRICA.

B. IBMS SOUTH AFRICAN OPERATION PARTS OF PARIS-BASED IBM WORLD TRADE OPERATIONS AND INCLUDED IN MIDDLE EAST (AND ISRAEL) AS WELL AS ALL AFRICAN OPERATIONS. OF THIS, CLARKE ESTIMATES IBM SOUTH AFRICA AMOUNTS TO 40 PERCENT OF BUSINESS OF ENTIRE GROUP AND THAT ISRAEL AND SOTH AFRICA COMPRRISE 60 PERCENT. MARKET SHARES ARE BRITISH ICL NUMBER ONE BY FAR, FOLLOWED BY IBM AND THEN FAST-CHARGING JAPANESE WITH OTHER EUROPEANS AND THEN AMERICANS LAGGING ALONG.

5. COMMENT: VISIT TO CLARKE WAS AT OUR INITIATIVE; INDEED, HE HAD EARLIER DECINED INVITATION FOR BUSINESSMEN MEETING WITH SLEZAK EARLIER IN WEEK. CLARKE IS A SOUTH AFRICAN AND PARTICULARLY SENSITIVE TO WHAT HE DESCRIBES AS THE "POLE-CAT" POSITION OF SOUTH AFRICA IN THE WORLD. HE GENUINELY BELIEVES THAT IBM IS NOT ONLY IN LEADERSHIP POSITION AMONG AMERICAN COMPANIES BUT WELL UP WITH IF NOT AHEAD OF MOST PROGRESSIVE FIRMS OF WHATEVER NATIONALITY IN SOUTH AFRICA AS REGARDS ITS TREATMENT OF AND RELATIONS WITH BLACKS. HE SAID FRANKLY THAT HE WAS CONVINCED THAT IBM VISITING TEAM WOULD GET THIS MESSAGE FROM BLACKS IN IBM AND BLACK LEADERS THROUGHOUT COUNTRY WHO WOULD SEE IBM PULLOUT AS TRAGEDY FOR BLACKS IN TERMS OF THEIR FUTURE POSSIBILITIES IN MARKET/COUNTRY/ ECONOMY EVEN THOUGH IBM IS ONLY A DROP IN THE OCEAN IN TERMS OF TOTAL US INVESTMENT IN SA OR IN TERMS OF TOTAL FOREIGN BUSINESS PRESENCE.

KIRBY

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Draft Date:** 13 FEB 1976  
**Decaption Date:** 01 JAN 1960  
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**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
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**Disposition Reason:**  
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**To:** STATE  
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